

Yellowstone County Commissioners
RECEIVED

OCT 13 2016

October 10, 2016

John Ostlund
Chairman Yellowstone County Commissioner
PO Box 35000
Billings MT 59107

*C: Dan Schwarz
Kevin Bryan*

RE: 2323 2nd Ave. N

Dear John,

Daniel L. Schwarz Deputy Yellowstone County Attorney requested that I do a CMA on October 6th on the above subject property.

It should be known that I had reviewed this property about a year ago for a potential client that was interested in purchasing it, but due to the extent of remodeling it needed that person decided to pass. Looking at my notes it was evident that the building has physical and functional obsolescence, it will also need ADA updating in the building to meet the necessary codes.

In determining value I looked at all three approaches, Income Approach, Cost Approach Less Depreciation and the Comparable Approach. In determining the Income Approach the main level which consist of 8,600 sq.ft which based on rent factors of this type of building would rent at a high of \$8.00 per sq.ft or a total per year of \$ 68,800. The basement area of 10,716 sq.ft would rent at \$5.00 per sq.ft or a total of \$53,580 giving the total gross income of \$122,380 and after expenses leaves a net income of \$74,515.86. Based on that figure it would relate to a Capitalization Rate of 6.2% or a value rate of **\$1,300,000**.

In determining the Cost Approach and taking the main floor of 8,600 sq.ft at \$125 per sq.ft would be \$1,075,000 and the basement area of 10,716sq.ft at \$60 per sq.ft would be \$643,960. Taking in the depreciation of 1959 of 40% would reduce the value of the building to \$1,030,776 and adding the land in of \$308,000 would bring the total value of the building to **\$1,338,776**.

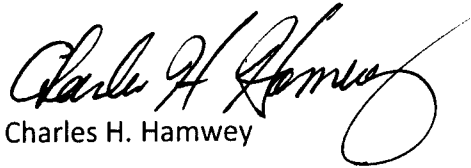
In reviewing the Comparable Approach, the only true building that has sold in the past 2 years was at 1650 Avenue D and the other building at 112 N. Broadway is part office and part retail in it's use - which I used to determining the. Taking these two comparables I have adjusted the value to **\$1,250,000**.

In taking all three approaches to value and considering the condition of the building it is my opinion that the Estimated Fair Market value of the subject property is

\$1,300,000.00

If you have any questions please don't hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles H. Hamwey", with a large, stylized flourish at the end.

Charles H. Hamwey

Income Approach

2323 2nd Avenue N

Main Floor	8,600 sq.ft at \$8.00 sq.ft	\$68,800.00
Basement area	10,716 sq.ft at \$5.00 sq.ft	<u>\$53,580.00</u>
Gross Income		\$122,380.00

Expenses	Taxes	\$25,364.14
	Insurance	\$7,500.00
	Maintenance	<u>\$15,000.00</u>
Total Expenses		\$47,864.12

Net Income	\$74,515.86
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6.2% cap rate Based on \$1,300,000.00

7.9% cap rate Based on \$1,100,000.00

Cost Approach

2323 2nd Avenue N

Land	1,400 at \$22.00 sq.ft.	\$308,000.00
Main Floor	8,600 sq.ft at \$125 per sq.ft	\$1,075,000.00
Basement	10,716 sq.ft at \$60 per sq.ft	<u>\$643,960.00</u>
Total		\$1,717,960.00
Based on 1959 40% depreciation		<u>\$687,184.00</u>
Building	\$57.36 per sq.ft	\$1,030,776.00
Land	\$22.00 per sq.ft	<u>\$308,000.00</u>
Total	\$75.36 per sq.ft	\$1,338,776.00

Comparative Approach

Subject property: 2723 2nd Ave N

Main Floor	8,600 sq.ft
Basement	10,716 sq.ft
Land	14,000 sq.ft.

Built:	1959
Zoning:	CBD
Type:	Office building

1650 Ave. D

Date Sold: 12/22/14

Main Floor	7,000 sq.ft
Basement	5,168 sq.ft
Land	18,380 sq.ft

Built:	1966
Zoning:	CC
Type:	Office Building

Sale Price	\$800,000.00
Adjustments	<u>\$540,288.00</u>
Adjusted Price	\$1,340,288.00

112 N. Broadway

Date Sold: 3/3/14

Main Floor	15,088 sq.ft.
Basement	2,897 sq.ft
Land	7,000 sq.ft

Built:	1916
Zoning:	CBD
Type:	Retail Office

Sale Price	\$750,000.00
Adjustments	<u>\$357,125.00</u>
Adjusted Price	\$1,107,125.00

Adjusted Value \$1,250,000.00

Commercial/Industrial	1650 AVENUE D - Billings	BAR
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ML#: 243234
Price: \$ 950,000
Status: Closed
Type: Office
Area #: (07) Northwest Billings
Street #: 1650
Directional:
St Name: AVENUE D
City: Billings
County: Yellowstone
Subdiv: Partington Park
Zoning: Community Commercial

Parking:
Bldgs: 1
Stories: 2
Alley: n
Ceil Hgt: 0
Sidewall:
Gas Metr:
Wtr Metr:
Elec Metr:
Elec Phase:
Volts:
Rail: n
Road Front: 50



Gross SqFt: 12,208
Office SqFt: 12,208
Retail SqFt:
Sh/Wh SqFt: 0
Acres: 0.42
Land SqFt: 18,380

Legal Description

Partington Park Sub. 5th filing. W115 of Lot 2A Partington Park Sub 7th filing.

Remarks

Main Floor 7,000 sq.ft. Basement 5,168 sq.ft. Small & large offices, Board room. Great location!

Year Built: 1966
Built Info: Existing
Prkg Desc: Assigned, Blacktop, Handicap
Street Surf: Asphalt
Bldg Type: Office
Loading: None
Pres Use: Office
Const: Frame
Roof: Asphalt
Misc/Equip: Computer/Data Wiring, Restrooms
Sale Incl: Building, Land
Occup: Owner
Heating: Gas Forced Air
Cooling: Central
Sewer: Public
Water: Public

Business Information

Bus Type:
Gross Inc: \$0
Oper Exp:
Net Inc: \$0
Franchise:
Restr:
Yr Est:
Insur:
CAP Rate:

Lease Information

Type:
Leased: n
Amount:
Deposit:
From:
To:
Leased Equipmt:
Retail \$/SqFt:
Office \$/SqFt:
Sh/Whs \$/SqFt:

Photo: Office Upload
Images: 1

Financial Information**1st Mortgage**

Balance:
Type:
Int Rate:
Payment:
Includes:
Mortgee:
Years:
Taxes: \$13,716

2nd Mortgage

Balance:
Type:
Int Rate:
Payment:
Includes:
Annl SID: \$0
SID Payoff: \$0
Tax ID: A12621A

Listing Office/Agent Information

L Off: hamw01	Real Estate By Hamwey	406-248-2020	List Date: 07/08/14	SOC: 3	Sell Conc: 0
L Agt: hamweych125	Charlie Hamwey	406-698-2020	Expire Date: 07/01/15	Poss:	BkRcp: Y IDD: Y
Owner: Mt. Regional Mental Health - Ph: 000-0000	Show Inst:	Call Agent			
Occup: owner - Ph: 000-0000	Finance:				

Sold Price: \$800,000 **S/Office:** nonb - NON MEMBER **Loan Type:** Cash **Pend Date:** 07/23/14
Sold Date: 12/22/14 **S/Agent:** non125 - Non Member Non Member **SP/SqFt:** \$66 **DOM:** 15 days

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-- INFORMATION HEREIN DEEMED RELIABLE BUT NOT GUARANTEED. --

Charlie Hamwey

Commercial/Industrial

112 N BROADWAY - Billings

BAR

ML#: 230293
Price: \$ 874,000
Status: Closed
Type: Office, Retail
Area #: (06) Downtown
Street #: 112
Directional: N
St Name: BROADWAY
City: Billings
County: Yellowstone
Subdiv: Billings Original Townsite
Zoning: Central Business District

Parking: 0
Bldgs: 1
Stories: 2
Alley: y
Ceil Hgt: 12
Sidewall:
Gas Metr: 1
Wtr Metr:
Elec Metr:
Elec Phase:
Volts:
Rail: n
Road Front: 0



Legal Description

S03, T01 S, R26 E, Block 93, Lot 5-6, Frac Lt 6 (25 Ft on E Line S24.78 Ft on W Line)

Gross SqFt: 17,941
Office SqFt: 14,750
Retail SqFt:
Sh/Wh SqFt: 0
Acres: 0.16
Land SqFt: 7,000

Remarks

Current Tenant is MSU and will move out with the sale.

Year Built: 1916
Built Info: Remodeled
Prkg Desc: Street
Street Surf: Public
Bldg Type: Office, Retail
Loading: None
Pres Use: Office
Const: Brick
Roof: Membrane
Misc/Equip:
Sale Incl: Building, Land
Occup: Tenant
Heating: Gas Forced Air, Natural Gas
Cooling: Central
Sewer: Public
Water: Public

Business Information

Bus Type: office
Gross Inc: \$0
Oper Exp:
Net Inc: \$0
Franchise:
Restr:
Yr Est:
Insur:
CAP Rate:

Lease Information

Type:
Leased: y
Amount:
Deposit:
From:
To:
Leased Equipmt:
Retail \$/SqFt:
Office \$/SqFt:
Sh/Whs \$/SqFt:

Photo: Office Upload
Images: 3

Financial Information

1st Mortgage

Balance:
Type:
Int Rate:
Payment:
Includes:
Mortgage:
Years:
Taxes: \$11,134

2nd Mortgage

Balance:
Type:
Int Rate:
Payment:
Includes:
Annl SID: \$0
SID Payoff: \$0
Tax ID: A00641

Listing Office/Agent Information

L Off: flob01	Berkshire Hathaway HS FI	406-254-1550	List Date: 01/21/13	SOC: 3	Sell Conc: 0
L Agt: schindel125	Pat Schindele	238-7156	Expire Date: 01/11/14	Poss:	BkRcp: Y IDD: Y
Owner: MSU - Ph: 591-2551	Show Inst:	Call Agent			
Occup: MSU - Ph: 591-1551	Finance:				

Sold Price: \$750,000 **S/Office:** NONB - NON MEMBER **Loan Type:** Cash **Pend Date:** 12/27/13
Sold Date: 03/03/14 **S/Agent:** NON125 - Non Member Non Member **SP/SqFt:** \$42 **DOM:** 340 days

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-- INFORMATION HEREIN DEEMED RELIABLE BUT NOT GUARANTEED. --

Charlie Hamwey

Subject Property: 2323 2nd Avenue N.

Built 1959

Building: Main Floor	8,600 sq.ft.
Basement area	10,716 sq.ft
Land	14,000 sq.ft.

Zoning: Central Business District

Montana Department of Revenue Tax Evaluation

Land	\$145,425.00 or \$10.39 per sq.ft.
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Building	\$1,307,175.00 or \$67,67 per sq.ft.
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\$78.06 per sq.ft. or

Total \$1,452,600.00



Yellowstone County, Montana

Commissioner: Terry J. Smith Assessor: David M. Hume

Disclaimer: Not all fields are currently maintained. The **accuracy of the data is not guaranteed**. Please notify the Appraisal/Assessment Office of any inaccuracies.

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[Full Orion Detail](#)

Owner Information

***Please Note:** Owner information is supplied by the **Montana Department of Revenue**. To request updates to addresses or other ownership information, please **contact the DOR office at 896-4000**. Records for the current year will **not** be updated after tax bills have been sent out, so changes requested after you receive your bill will appear only on next year's records.

Tax ID: A00414

Primary Party

Primary Owner Name: HOINESS LABAR INSURANCE INC

2016 Mailing Address: HOINESS LABAR INSURANCE INC

PO BOX 30638

BILLINGS, MT 59107-0638

Property Address: 2323 2ND AVE N

Township: 01 N Range: 26 E Section: 33

Subdivision: BILLINGS ORIGINAL TOWNSITE Block: 62 Lot: 21

Full Legal: BILLINGS ORIGINAL TOWNSITE, S33, T01 N, R26 E,
BLOCK 62, Lot 21 - 24

GeoCode: 03-1033-33-3-13-13-0000

[Show on Map](#) (May not work for some newer properties.)

Property Assessment Information

Levy District: 2008 EXPANDED N 27 ST URB

Levy District: 2008 EXPANDED N 27TH URBA

Assessed Value Summary

Assessed Land Value = \$ 145,425.00

Assessed Building(s) Value = \$ 1,307,175.00

Total Assessed Value = \$ 1,452,600.00

Assessed Value Detail Tax Year: 2016

Class Code	Amount
2207 - Commercial City or Town Lots =	\$ 145,425.00
3507 - Improvements on Commercial City or Town Lots =	\$ 1,307,175.00
Total =	\$ 1,452,600.00

The values shown for the given tax year are for taxation purposes only. They are supplied by the Department of Revenue. For questions about these values, please contact the Montana Department of Revenue, Appraisal/Assessment Office at 406-896-4000.

Rural SID Payoff Information

NONE
Property Tax Billing History

Year	1st Half	2nd Half	Total
<u>2000</u>	5,005.21 P	5,005.21 P	10,010.42
<u>2001</u>	5,333.44 P	5,333.42 P	10,666.86
<u>2002</u>	5,684.47 P	5,684.47 P	11,368.94
<u>2003</u>	6,106.18 P	6,106.18 P	12,212.36
<u>2004</u>	6,380.54 P	6,380.53 P	12,761.07
<u>2005</u>	6,707.73 P	6,707.72 P	13,415.45
<u>2006</u>	6,786.85 P	6,786.84 P	13,573.69
<u>2007</u>	7,113.77 P	7,113.76 P	14,227.53
<u>2008</u>	7,241.97 P	7,241.96 P	14,483.93
<u>2009</u>	8,369.20 P	8,369.16 P	16,738.36
<u>2010</u>	9,265.69 P	9,265.67 P	18,531.36
<u>2011</u>	9,832.23 P	9,832.22 P	19,664.45
<u>2012</u>	10,064.67 P	10,064.65 P	20,129.32
<u>2013</u>	10,765.52 P	10,765.51 P	21,531.03
<u>2014</u>	11,602.32 P	11,602.30 P	23,204.62
<u>2015</u>	9,755.36 P	9,755.33 P	19,510.69

(P) indicates paid taxes.

Click on year for detail. [Pay Taxes Online](#)

Jurisdictional Information

Commissioner Dist: 2 - [James Reno \(R\)](#) **School Attendance Areas**

Senate: 24 - [Mary McNally \(D\)](#) **High:** SENIOR

House: 47 - [Katharin A. Kelker \(D\)](#) **Middle:** RIVERSIDE

Ward: 1 (BILLINGS) **Elem:** MCKINLEY

[Brent Cromley](#)

[Mike Yakawich](#)

Precinct: 47.1

Zoning: Central Business District

[Click Here to view Billings](#)

[Regulations](#)

[Click Here to view Laurel](#)

[Regulations](#)

[Click Here to view](#)

[Broadview Regulations](#)

SD 2 Trustee District #1 [List of Trustees](#)

Any comments or questions regarding the web site may be directed to the [webmistress](#).



Yellowstone County, Montana

County Website: <http://www.co.yellowstone.mt.gov> | Phone: (406) 338-2100

Orion Detail

Disclaimer: Not all fields are currently maintained. The accuracy of the data is not guaranteed. Please notify the Appraisal/Assessment Office (406-896-4000) of any inaccuracies.

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[Property Tax Detail](#)

Owner Information

Primary Owner: HOINESS LABAR INSURANCE INC
Tax ID: A00414
Geo Code: 03-1033-33-3-13-13-0000
Property Address: 2323 2ND AVE N BILLINGS 59101
Legal Description: BILLINGS ORIGINAL TOWNSITE, S33, T01 N, R26 E, BLOCK 62, Lot 21 - 24
Property Type : CU - Commercial Urban

Site Data

[View Codes](#)

Neighborhood Code: 03-09653A-2T3A **Location:** 4 - Commercial Area
Parking type: 600.C **Fronting** 1 - Major Strip or Central Business District%
Utilities: 3 - On and Off Street **Parking Prox** 3 - On Site%
Lot Size: 1, 4 **Access:** 1
Lot Size: 14000 Sq. Ft. **Topography:** 1

Commercial Building Data

Year Built: 1959 **Year Remodel:** 2007
Improvement Class: 3507 **Effective Year:** 1985
Building Name: Insurance office building **Building Number:** 1
Grade (Factor): A (1) **Structure Type:** 353 - Office Building, Low Rise (1 to 4 stories)
Total Identical Buildings: 1 **Units per Building:** 1
ECF: 1.06

Interior/Exterior Commercial Building Data

Floors	Area/Floor(Sq Ft)	Area (Sq Ft)	Use	Construction	Ptns	Heat	A/C	plumb
B1 -	430	430	053 - Office	1-Wood Frame/Joist/Beam	2-Normal	1-Hot Air	1-Central	2-Normal
B1 -	8170	8170	053 - Office	1-Wood Frame/Joist/Beam	2-Normal	1-Hot Air	1-Central	2-Normal
01 - 01	10716	10716	053 - Office	1-Wood Frame/Joist/Beam	2-Normal	1-Hot Air	1-Central	2-Normal
Building Total		19316						

Main Commercial Building Features Data

Code-Type	Quantity
PP1 - Porch, open	1
EE1 - Enclosed Entry	1

Other Building and Yard Improvements

Code - Type	Quantity	Area/Unit	Classcode
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CPA1 - Paving, asphalt	1	2600	3507
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Any comments or questions regarding the web site may be directed to the [webmistress](#).

PROFESSIONAL QUALIFICATIONS

CHARLES H. HAMWEY

APPRAISED FOR:

US Bank, Yellowstone Bank, Valley Federal Credit Union, M.G.I.C., Billings Clinic, Billings School District #2, Burlington Northern, Kodak, Plus Relocation, Conoco, Small Business Administration, Various Attorneys in the Billings area including: Crowley Law Firm, Brown Law Firm and Dorsey & Whitney Law Firm, Tim Filz Lawyer, Angus Fulton Lawyer, Stewart Kirkpatrick Lawyer, Western Security Bank, First Interstate Bank, US Bank, Served on Condemnation Commission for the State of Montana, Qualified in District Court as an expert in Real Estate and Real Estate Values

EDUCATION:

Graduate of Oneonta High School, Oneonta NY, in 1960 with Academic Degree
Graduate of Rocky Mountain College, Billings MT, in 1964 with BA Degree
Advance courses in Real Estate, including commercial courses at the University of Washington and commercial courses sponsored by the National Association of Realtors
Graduate Real Estate Institute, GRI
Certified Residential Specialist, CRI
Certified Residential Broker, CRB

BUSINESS AFFILIATIONS:

Texaco, Inc., Real Estate Dept., 3 ½ years
Husky Oil Co., Real Estate Dept., Assistant Division Mgr., 7 years
Broker/Manager and Vice President of Floberg Realtors Inc., supervising 18 full time salespeople, 5 years
Broker/Owner and President of Real Estate by Hamwey Inc., since 1980, 15 full time Sales Associates/Brokers
Commercial Broker since 1975
Appraising Real Estate since 1974

MEMBERSHIP IN PROFESSIONAL SOCIETIES:

National Association of Realtors
Montana Association of Realtors
Billings Board of Realtors
Realtors National Marketing Institute

REAL ESTATE RECOGNITION:

Realtor of the Year, Billings Board of Realtors, 1981
Salesman of the Year, Billings Board of Realtors, 1975
Member of the Million-Dollar Club since 1975
Real Estate Broker since 1973
President of Billings Board of Realtors, 1981
President Billings Multiple Listing Service, 1987, 1999, 2000, 2003
State Director for the Billings Board of Realtors, 1980-1984, 1990-1994
Chairman of Billings Legislative Committee, 1984-1990
Member of the Yellowstone County Board of Planning, 1994 - 2004
Chairman of the Yellowstone County Board of Planning 1999, 2000
Chairman of EMS Committee, City of Billings 2010

-Invoice -

Date: October 10, 2016

**FROM: Real Estate by Hamwey
 1010 Grand Avenue
 Billings, MT 59102
 (406) 248-2020**

To: John Osland, Chairman Yellowstone County Commissioner

RE: 2323 2nd Avenue N

TOTAL DUE: \$1,000.00

Thank you,


Charles H. Hamwey